

CHAPTER 80-2-4
INVESTMENT OF CREDIT
UNION FUNDS

80-2-4-01	Investment of Credit Union Funds in Other Financial Institutions.	80-2-4-03	Renumbered to 80-2-12-.03
80-2-4-02	Investment of Credit Union Funds in Fixed Assets; Letter Form Application and Regular Form Application; Requirements.		

80-2-4-.01 Investment of Credit Union Funds in Other Financial Institutions.

(1) No credit union chartered by the State of Georgia shall invest its funds which are not used in loans in any bank, building and loan association, savings and loan association, or credit union in an amount exceeding five (5) percent of the total deposits of the bank, building and loan association, savings and loan association or credit union; or such larger amount as may be approved by the Department.

(2) For purposes of this Rule, the total deposits of the bank, building and loan association, savings and loan association, or credit union shall be that amount reported in the depository's most recent statement of condition.

Authority Ga. L. 1974, pp. 705, 894-895, 904; 1981, pp. 1245, 1246.

80-2-4-.02 Investment of Credit Union Funds in Fixed Assets; Letter Form Application and Regular Form Application; Requirements.

(1) Credit unions that are well capitalized and well managed as defined below in (e) may expand their investment in fixed assets by filing a letter form application, provided that total investments in fixed assets do not exceed 40 percent of total equity capital and reserves (excluding the allowance for loan losses). This letter form application shall contain the following:

(a) A description of the fixed asset expansion that is contemplated;

(b) An indication of the total proposed amount of fixed assets after the expansion and the percentage that this investment represents of total equity capital and reserves (excluding the allowance for loan losses account);

(c) An indication of the dollar amount of depreciation that would be recognized on an annual basis and the effective life being used to write off fixed assets;

(d) An indication that there is no involvement by any director, committee member, officer or employee of the credit union or any related interest thereof, in the fixed asset expansion. If there is any involvement it should be detailed in the letter form application.

(e) A statement that the credit union meets the criteria for expedited processing, which is defined as:

(i) The credit union must be well capitalized as defined by the capital requirements of the Department and the National Credit Union Administration;

(ii) The credit union must have received a CAMEL composite rating of 1 or 2 at the most recent examination; and

(iii) The credit union is not subject to any written agreements, orders or other enforcement actions or administrative agreements with the Department or the National Credit Union Administration.

(2) In the event that total credit union investments in fixed assets exceed 40 percent of total equity capital and reserves (excluding the allowance for loan losses) or the credit union does not meet the requirements in (e) above, the credit union shall complete a full application on forms provided by the Department of Banking and Finance.

Authority Ga. L. § 7-1-650; § 7-1-663; O.C.G.A. § 7-1-61.

80-2-4-.03 Investment of Excess Funds in Participation Loans. (Renumbered to 80-2-12-.03).

Authority Ga. L.; O.C.G.A. § 7-1-61; § 7-1-650; § 7-1-663.